

**REAL ESTATE APPRAISER BOARD
APRIL 19, 2005
LIQUOR CONTROL CONFERENCE ROOM
5TH FLOOR, 301 CENTENNIAL MALL SOUTH
LINCOLN, NE**

Opening / Notice of Meeting / Adopt Agenda /

Chairman Dan Stoeber called the April 19, 2005 scheduled meeting of the Nebraska Real Estate Appraiser Board to order at 9:03 a.m. Members present: Vice Chairman Kevin Kroeger, James Bain, and Timothy Kalkowski. Sheila Newell was absent and excused. Interim Director Policky was present. Chairman Stoeber announced the notice of the meeting was published in the *Lincoln Journal Star*, a legal newspaper of general circulation in this State, as required by the public meeting law.

Chairman Stoeber acknowledged the agenda and requested any corrections or additions. Kroeger moved to adopt the agenda and Bain seconded the motion. Roll call vote: all ayes. Chairman Stoeber welcomed Guest Dianne Moore, President of the Moore Group; Cay Lacey, chair of the statute, rules and regulations committee and Yvonne Barna, a Registered appraiser.

Minutes of March 15 & 17, 2005 meetings /

Chairman Stoeber acknowledged the minutes from the March 15 and March 17, 2005 meetings and called for corrections. The minutes were accepted as written. Vice Chairman Kroeger moved to approve the minutes as written and Bain seconded the motion. Roll call vote: all ayes.

Director's Report /

Director's report was received and made part of these minutes. One particular item of interest was the opinion from the Attorney General's office concerning the number of members and votes needed to constitute a quorum and the definitions of various voting procedures. Members were asked to read the material carefully and bring opinions and comments to the May meeting. Chairman Stoeber requested the attorney general's opinion be put on the May agenda for discussion giving the members time to review.

Chairman's Report /

Chairman Stoeber and Vice Chair Kroeger attended the Appraisal Foundation and AARO meetings in St. Louis and reported on various issues and segments of implementation of new 2008 criteria. Stoeber reminded members the 2005 Standards are to be in effect until July 1 of 2006. Plans to implement a two-year cycle for USPAP will be in place for 2008. USPAP revisions will be adopted yearly with a supplement being issued. Chair and Vice Chair attended a criteria implementation seminar presented by the Appraisal Subcommittee. Firm date vs. segmented date. Module vs. integrated. Module program will offer consistent education content whereas integrated may repeat the same educational material in three different segments. Meetings addressed avenues for adoption and considerations for states to implement the new criteria.

The AARO meetings presented ideas such as offering a manual for investigators for states. Sessions discussed AARO assistance with implementation of AQB criteria and the presentation of the common deficiencies of appraisals such as the comp selection failure, generic descriptions of property, sloppy reports, and no sales history analysis. The biggest problems addressed were fraud and forgery of an electronic signature.

Chairman Stoeber requested and the Appropriations Committee has agreed to restore the PSL funds that were administered for Ms. Hasselbalch's resignation. The total amount due Ms. Hasselbalch for salary, one quarter sick leave accrued and vacation, depleted the PSL funding.

Chairman Stoeber requested an extension from the Appraisal Subcommittee for our audit. The Appraisal Subcommittee considered the circumstances facing the Real Estate Appraiser Board and agreed to wait until end of July. A tentative date of July 25 & 26th has been set as the meeting date. Appraisal Subcommittee audits found no state in total compliance. Funding appeared to be the direct problem to meet criteria. Common deficiencies in programs included testing and legal compliance with the 2003 criteria. Although the states were enforcing the criteria, they were not in legal compliance.

Chairman Stoeber visited with our new legal counsel from the Attorney General's office, Charles Lowe, to request an opinion on procedures for compliance with the new 2008 criteria. The question is whether compliance is met by changing the Rules and Regulations or simply by changing the core curriculum. Stoeber asked for a written opinion for the correct procedure to meet compliance.

March Receipts and Expenditures Report /

The Board reviewed the March 2005 expense report and is recognized as an approved item in these minutes. James Bain moved to ratify the March expense and Kroeger seconded the motion. Roll call vote: all voting aye.

Unfinished Business /

Committee Report

Cay Lacey, chairperson of the statute, rules and regulation committee, reported on the progress of the committee. The report and recommendations by Lacey was received and made part of the minutes. Lacey informed the Board of the meeting scheduled for Monday, May 16th. Chairman Stoeber and Vice Chairman Kroeger will attend the meeting and report to the Board at the scheduled meeting on Tuesday.

NEW BUSINESS /

PES Contract

The 2006 PES contract was presented and discussed. Vice Chair Kroeger moved to accept the new contract and Bain seconded the motion. Roll call vote: all voting aye.

DAS Employment Review

Vicki Logan from the Department of Administrative Services appeared before at the meeting to present the option for developing a strategy for hiring a new director. The report consisted of options such as advertising, supplemental questionnaires, job description, and requirements. Vicki will be developing the strategy while Kawyn Sohl

will be accepting the criteria and applications. DAS will keep Chairman Stoeber and Kitty apprised of the situation.

Web Site Board Minutes

Chairman Stoeber informed the Board that the minutes, once approved by the Board, will be available on the web site. The goal is to keep the public apprised of current issues, decisions, and challenges facing appraisers and the Board.

AQB 2008 Criteria

The Appraiser Board must continue to study and consider the options for the implementation of the AQB 2008 criteria. The legal opinion from the Charles Lowe from the Attorney General's office will be necessary to determine the method of implementation. Once the legal direction has been established, the Board will consider the implementation of the administrative requirements.

OLD BUSINESS /

LB 676 Report

The status of LB 676 was postponed until the May 17, 2005 meeting as Sheila Newell was absent and was to present the update to the Board.

Rules & Regulations – AQB compliant

Chairman Stoeber and Interim Director Policky did contact Policy Research to request the procedures to correct an error in the Rules and Regulations which appears as the result of the changes for the 2003 criteria implementation. As part of the last Rules & Regulations changes, the incorrect paragraph under Chapter 5, Education and Experience Requirements, was identified for change. The change request should have referred to 001.06 to change the USPAP requirement where as the change referred to 005.05H. The change did not alter the paragraph but repeated verbatim what existed. Kathleen Dolezal from Policy Research informed this office that even if a period had been forgotten, we would be required to go through the formal process of changing the Rules and Regulations as required by law. The Board determined that when the process for the implementation of changes for the new criteria for 2008 has been determined or reference to the current USPAP must be changed, the correction will be made at that time.

Chairman Stoeber calls for 10 minute break.

At 11:15 a.m., Vice Chairman Kroeger moved that the Board go into Executive Session for the purpose of reviewing qualifications of applicants and consideration of written complaints. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters relating to applications to be reviewed, performance, and disciplinary matters to be considered. Tim Kalkowski seconded the motion. Roll call vote: all voted aye.

Vice Chairman Kroeger moved to come out of closed session at 11:41 a.m. and Kalkowski seconded the motion. Roll call vote: all votes aye.

Vice Chair Kroeger moved and Bain seconded that the Appraiser Board unanimously accepted the consent agreement with CG940106, to permanently surrender his credential in the State of Nebraska. The surrender is effective May 1, 2005. The FA or Formal Action will be permanently filed under FA-04-01 and will include case numbers: 00-11/00-13/00-17/00-28/01-24/01-41/03-07/05-01. The motion authorizes Chairman Stoeber to sign said document. The conditions of the consent agreement will be reported to Ben Hensen, Director of the Appraisal Subcommittee. Voting aye: Bain, Kroeger, Kalkowski and Stoeber.

At 12:26 p.m., Vice Chairman Kroeger moved that the Board go into Executive Session for the purpose of reviewing qualifications of applicants and consideration of written complaints. A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters relating to applications to be reviewed, performance, and disciplinary matters to be considered. Tim Kalkowski seconded the motion. Roll call vote: all voted aye.

Vice Chairman Kroeger moved to come out of closed session at 3:06 p.m. and Kalkowski seconded the motion. Roll call vote: all votes aye.

Education and Instructor Approval /

Vice Chairman Kroeger moved to approve the education and instructors as presented on the agenda and made part of these minutes. Bain seconded the motion. Roll call vote: all ayes.

Review of Applicants /

Kroeger moved the following applicants:

Registered applicants: R737, R738, R739, R740, R741 and R742 approved.

Licensed applicants: L404, L406, L407 approved.

L408, L409, L396 denied.

Certified Residential: CR112, CR129, CR130, CR133 approved.

CR132 denied

James Bain seconded the motion. Voting aye: all votes aye.

Enforcement Matters /

Kroeger moved to take the following actions:

01-04 CA violation. Send to legal counsel and ask for surrender of credential.

01-34 Close

03-02 CA completed. Close.

03-13 Close

03-14 Close

03-22 Add to May 17th enforcement for review.

03-26 Close

03-29 Close. Send advisory letter.

04-19 Close

05-02 CA to include an AQB approved 2-day USPAP, 2-day Residential Report Writing and 2-day Sales Comparison Approach to be completed by

August 31, 2005.

05-06 Schedule interview for May meeting.

05-07 Schedule interview for May meeting.

05-11 Schedule interview for May meeting.

Bain seconded the motion. Voting aye: all votes aye.

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Personnel /

James Bain moved to authorize Chairman Stoeber to go to DAS and authorize a salary of \$50,000 for the Interim Director Policky, retroactive to March 15, 2005. Kevin Kroeger seconded the motion. Roll call vote: all voted aye.

Tim Kalkowski moved to authorize Interim Director Policky to carry over her vacation as based on state guidelines. Bain seconded motion. Roll call vote: all voted aye.

May Agenda/

Chairman Stoeber reminded members to review the AG opinion concerning quorum and voting procedures and be prepared to make recommendations for adoption at the May meeting.

The 17th will be the scheduled date for the May meeting. The June meeting will be changed to the 28th instead of the 21st and the July meeting is set for the 25th & 26th depending on confirmation from Denise and the Appraisal Subcommittee.

There being no further business, Vice Chair Kroeger moved to adjourn the meeting and Kalkowski second. Roll call vote: all votes aye. Chairman Stoeber adjourned the meeting at 3:20 p.m.

Respectfully submitted,

Kitty Policky
Interim Director

